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SUBJECT: DOMINICAN TRANSITION #4: PRESIDENT-ELECT'S VISIT  
TO VENEZUELAN PRESIDENT CHAVEZ

Classified By: Economic and Political Counselor Michael Meigs for Reason 1.5 (b) and (d).

[11.](#) (SBU) This no. 4 in our series on the transition to a new presidential administration in the Dominican Republic.

DOMINICAN PRESIDENT-ELECT'S VISIT TO VENEZUELAN PRESIDENT CHAVEZ

(U) Dominican President-elect Leonel Fernandez stopped over in Caracas to call on President Hugo Chavez June 20-21. Press reports centered upon Fernandez's mention of the \$250 million in financing credits accumulated to date under the terms of the San Jose Accord (a percentage of payments for Venezuelan petroleum accrues to finance development projects, with the stipulation that 50 percent of the content come from Venezuela). This is not news, and in fact the amount accumulated is testimony rather to the difficulty in finding appropriate Venezuelan products to finance. The Mejia government periodically drew on this trade line to import asphalt for road construction, a practice that ended last year. A U.S. firm currently has the exclusive contract to supply asphalt to the Dominican government.

(C) Following mid-2003 interruptions of Venezuelan exports to the Dominican Republic due in large part to technical problems at PDVSA, Chavez "suspended" exports from August 2003 to November 2004 with the demand that Mejia's government take action against "conspiracies." Documents eventually presented to the Dominican MFA related an eccentric series of charges against industrialist Gustavo Cisneros, made by third-country nationals. They provided no basis for Dominican action against Cisneros, who has a vacation home here and is well liked, including by President Mejia.

(SBU) Fernandez's stop in Caracas was for a courtesy call and photo op. It led journalists, officials, and a PLD legislator to speculate that the President-elect was working on obtaining more favorable prices for petroleum. The PLD's only senator, Jose Tomas Perez, assured us the visit had focused on oil supplies and that there were no implications for Dominican policies toward the United States; in particular, he said, it should not be interpreted as signaling any support by President-elect Fernandez for Chavez's anti-U.S. stance. A senior MFA contact characterized the visit as just another stop in Fernandez's tour around the region in advance of the inauguration.

(SBU) We understand the President-elect was accompanied by his wife Margareta Cedeno de Fernandez, his personal staff, and former industry and commerce minister Luis Manuel Bonetti, Fernandez's campaign finance chairman and the PLD's finance chief.

[12.](#) (U) Drafted by Bainbridge Cowell.

[13.](#) (U) This report and others in our election and transition series can be read on the SIPRNET at <http://www.state.sgov.gov/p/wha/santodomingo/index.cfm> along with extensive other current material.  
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